(Amount Rs. in crores)

Year Ending	Priority Sector Advances (PS)	Credit to Minority Communities	Credit to SCs/STs
March 2006	5,16,334.78	45,490.60	20,661.59

The RBI does not collect data in respect of OBCs

Purchase of shares of Oswal Agro Mills Ltd.

966. SHRI RAJNATH SINGH: Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question No. 3565 given in the Rajya Sabha on 8th May, 2007 and state:

(a) the names of the companies who have shown interest in purchase of shares of Oswal Agro Mills Ltd.;

(b) the dates on which proposals from these companies were received;

(c) the details of the deliberations of the investment committee on these proposals;

(d) the precise reasons for the continued delay in acceptance of these proposals; and

(e) the actual and notional loss incurred by LIC due to delay in acceptance of these proposals, alongwith the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Life Insurance Corporation of India (LIC) has reported that it is in receipt of the following 3 proposals for acquiring the shares of M/s Oswal Agro Mills Ltd. on the dates shown against each :—

Name of the Company	Date of letter of proposal
Bhagyashree Leasing and Finance Ltd.	05.02.2007
Centrum Capital Ltd.	30.10.2006
Chandrika Traders Ltd.	Letter with no date received by LIC on 20.11.2006

(c) LIC has reported that it has put in place a system by which all proposals for sale of illiquid/unlisted shares are referred to a Committee of Senior Officers for taking decisions on sale of each shares. In case, the proposal is found acceptable by the said Committee of Officers, such proposal is referred to the Investment Committee for advice. The Committee of Senior Officers examined the above mentioned 3 proposals and did not find the offered price acceptable.

(d) LIC has reported that the Committee of Senior Officers noted that the M/s Oswal Agro Mills Ltd. in its Directors Report of Annual Report of Accounts for the year ended 31st March, 2006 had mentioned that it had decided to enter into high growth business segment such as real estate development, paper, chemicals and petroleum, etc. Further, the company has informed LIC by letter dated 24.05.2007 that

they were making efforts to get the shares listed on BSE/NSE for resuming the trading of shares which would result in providing liquidity to the shares. The proposal for sale of equity shares of Oswal Agro Mills Ltd. has, therefore, not been found acceptable at this juncture.

(e) LIC has informed that it has not suffered any loss on account of its decision of not selling the shares of M/s Oswal Agro Mills Ltd., in view of the above mentioned initiatives of the Company. It is expected that the same would bring higher value to the share holders. LIC has further reported that selling the shares of M/s Oswal Agro Mills Ltd. at this juncture may be disadvantageous to it.

Early clearance of local cheques

967. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI asked the banking industry early this year to take steps so as tc clear local cheques within 24 hours and also to expeditiously clear outstation cheques;

(b) if so, the actual details of RBI directions and the reasons for which they have not so far been implemented by the banking industry; and

(c) the steps proposed to be taken by Government to ensure implementation of RBI directions in this regard, at the earliest?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Reserve Bank of India (RBI) has reported that at Magnetic Ink Character Recognition (MICR) centers, which account for over 80 percent of volume of cheques in clearing, the clearing cycle is normally 3 to 4 days for local cheques; Clearance of outstation cheques may take more time due to the necessity of their physical movement. However, High Value Clearing has been introduced at 25 centres where large value cheques (above Rs. 1 lakh) received at the branches in the central business area in the city upto 11.00 A.M. are credited to the customer's account on the same day. Non-payment or inordinate delay in the payment or collection of cheques/drafts is a deficiency in banking service entitling the customer to file a complaint to the Banking Ombudsman cencerned.

RBI, *vide* its guidelines dated November 1, 2004 has advised all Scheduled Commercial Banks to formulate a Board approved comprehensive and transparent policy covering (i) immediate credit of local/outstation cheques, (ii) time frame for collection of local/outstation cheques, and (iii) interest payment for delayed collection, taking into account their technological capabilities, systems and processes adopted for clearing arrangements and other internal arrangements for collection through correspondents and ensure wide publicity of the policy so formulated.

To enable bank customers funds to move faster, RBI has developed electronic funds transfer systems like Real Time Gross Settlement (RTGS) system, National Electronic Funds Transfer (NEFT) and Electronic Clearing Service (ECS) system.